

By \_\_\_\_\_

Authorizing the issuance and sale of General Obligation Pension Bonds (Minneapolis Police Relief Association), Series 2002B; providing the form and terms of the obligations, pledging certain tax revenues; and making certain findings, covenants, and directions relating to such obligations

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

SECTION 1. AUTHORIZATION, FINDINGS AND DEFINITIONS

1.01. Minneapolis Police Relief Association. The Minneapolis Police Relief Association (“MPRA”) was established in 1905 and was closed to new members in 1980. The membership of MPRA includes seventy-three active employees and 680 retirees, surviving spouses, and dependent children. Minnesota law requires that MPRA be fully funded by December 31, 2010. Each year the actuary for MPRA determines the amount needed to amortize any unfunded actuarial accrued liability by December 31, 2010. The City is required to fund an amount equal to the amortization of the unfunded liability reduced by contributions and State aid. Primarily as a result of losses in the investments of MPRA assets, the unfunded liability of the MPRA has more than doubled in the last year, from approximately \$56,000,000 in 2000 to \$115,500,000 in 2001 (the City contribution to the MPRA is based on the most recent completed actuarial valuation which for 2003 is the actuarial valuation for 2001). Mayor Rybak’s 2003 budget proposes to finance a portion of the 2003 amortization of this unfunded liability with the proceeds of general obligation bonds of the City maturing through 2014. This will spread the cost of this portion of the unfunded liability over a twelve year period. This Council hereby determines that: (i) it is necessary and expedient for the City to finance the current and future unfunded liabilities of MPRA through the issuance of general obligation bonds of the City; and (ii) it is necessary and expedient for the City to expend municipal funds for the foregoing purposes.

1.02. Authority. Under Minnesota Statutes, Section 475.52, subdivision 6, as amended, the City is authorized to issue general obligation bonds to fund all or part of the City’s current and future unfunded liability for a pension or retirement fund or plan referred to in Minnesota Statutes, Section 356.20, subdivision 2, as amended. MPRA is referred to in Minnesota Statutes, Section 356.20, subdivision 2, as amended. As a condition to the issuance of general obligation bonds by the City to fund all or part of the City’s current and future unfunded liability to MPRA, the board of trustees or directors of MPRA must consent to the issuance of such bonds. Pursuant to Minnesota Statutes, Section 475.58, subdivision 1(7), general obligation bonds may be issued by the City to fund pension or retirement fund liabilities pursuant to Minnesota Statutes, Section 475.52, subdivision 6, without obtaining the approval of a majority of the electors voting on the question.

1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Bond Resolution and any resolution supplemental hereto, have the meanings

herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

“Act” means Minnesota Statutes, Chapter 475, as amended from time to time.

“City” means the City of Minneapolis, a municipal corporation and political subdivision of the State of Minnesota.

“Holder,” “Bondholder,” or “owner” means the person in whose name a Bond is registered.

“Letter of Representations” means the Blanket Letter of Representations from the City to The Depository Trust Company, New York, New York.

“MPRA” means the same as such term is defined in Section 1.02 of this Bond Resolution.

“Series 2002 Bonds” or “Bonds” means the Series 2002B Bonds, authorized by this Bond Resolution.

“Series 2002B Bonds” means the General Obligation Pension Bonds (Minneapolis Police Relief Association), Series 2002B.

## SECTION 2. TERMS AND FORM OF SERIES 2002B BONDS.

2.01. Series 2002B Bond Terms. It is hereby determined to be necessary and expedient to issue the Series 2002B Bonds to finance a portion of the current and future unfunded liability for MPRA. The Series 2002B Bonds shall be dated December 19, 2002, or such later date as the Finance Officer may determine, shall be in the aggregate principal amount of not to exceed \$10,600,000, shall be issued in denominations of \$5,000 or any integral multiple thereof and shall be numbered from R-1 upwards in order of issuance or such other order as the Finance Officer may determine. The Bonds shall bear interest at the rates per annum approved by the Finance Officer and the Board of Estimate and Taxation in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2003, as determined by the Finance Officer, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall mature on December 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2003	\$ 55,000	2009	\$ 1,440,000
2004	760,000	2010	1,085,000
2005	655,000	2011	1,260,000
2006	170,000	2012	1,275,000
2007	400,000	2013	1,305,000
2008	1,310,000	2014	885,000

The Finance Officer may adjust the principal amounts of each maturity provided that the aggregate principal amount of the Bonds does not exceed \$10,600,000. With the approval of the Board of Estimate and Taxation in connection with the sale thereof, all or any of the foregoing maturities of the Bonds may be included within one or more term Bonds which are subject to mandatory redemption on December 1 in the years and amounts set forth above. The maturities of the Bonds meet the requirements of Minnesota

Statutes, Section 475.54, subdivision 17, and in any event meet the requirements of Minnesota Statutes, Section 475.54, subdivision 1, when combined with other general obligation bonds of the City.

The City may elect on December 1, 2012, and on any day thereafter to prepay Bonds due on or after December 1, 2013. The Finance Officer may amend the optional redemption provisions of the Bonds prior to the solicitation of bids for the Bonds if the Finance Officer determines that such amendments will encourage additional bids for the Bonds or such amendments may reduce the interest rates on the Bonds. Thirty days prior to the redemption date, notice of any such redemption shall be given by mail in accordance with the requirements of Minnesota Statutes, Chapter 475, as amended. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are to be called for redemption, the City will notify DTC (as defined in Section 6 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest to the date of redemption.

2.02. Method of Payment; Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as initial Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty days mailed notice to the registered owners at their registered addresses. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books. The Finance Officer may determine to provide for payments of principal and interest on the Bonds by whatever means deemed appropriate by the Finance Officer.

2.03. Bond Form. The Bonds shall be in substantially the following form (subject to such changes directed by the Finance Officer to conform to the terms of the Bonds awarded to the purchaser), which may be printed on the face or on the back or partially on the face or back, with the necessary variations as to number, CUSIP Number, denomination, rate of interest and date of maturity, the blanks therein to be properly filled in, to-wit:

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(Form of Series 2002B Bond)

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

No. R-\_\_

\$\_\_\_\_\_

**CITY OF MINNEAPOLIS, MINNESOTA  
GENERAL OBLIGATION PARKING ASSESSMENT BOND  
(MINNEAPOLIS POLICE RELIEF ASSOCIATION)  
SERIES 2002**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, ____	December 19, 2002	60374A __ _

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

The City of Minneapolis (the "City"), in the County of Hennepin and State of Minnesota, for value received, hereby certifies that it is indebted and hereby promises to pay to the Registered Owner named above or registered assigns, the Principal Amount specified above on the Maturity Date specified above, upon the presentation and surrender hereof, and to pay to the Registered Owner hereof interest on such Principal Amount at the Interest Rate specified above from the Date of Original Issue specified above, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on June 1 and December 1 of each year, commencing June 1, 20003, until said principal sum is paid. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal and the redemption price is payable in lawful money of the United States of America at the office of the Finance Officer in Minneapolis, Minnesota, as Registrar and Paying Agent, or at the office of such successor agents as the City may designate upon sixty days notice to the registered owners at their registered addresses. Interest shall be paid on each June 1 and December 1 interest payment date by check or draft mailed to the person in whose name this Bond is registered at the close of business on the preceding May 15 and November 15 (whether or not a business day) at the registered owner's address set forth on the registration books maintained by the Bond Registrar. The Finance Officer may determine to provide for payments of principal of and interest on the Bonds by whatever means deemed appropriate by the Finance Officer.

This Bond is one of a series of Bonds in the aggregate principal amount of Ten Million Six Hundred Thousand Dollars (\$10,600,000), all of like date and tenor except for number, interest rate, denomination date of maturity and redemption privilege, and is issued pursuant to and in accordance with Minnesota Statutes, Chapter 475, as amended (the "Act") for the purpose of financing a portion of the current and future unfunded liability for the Minneapolis Police Relief Association, all as set forth and described in a resolution of the City Council relating to the issuance of the Bonds (the "Bond Resolution").

The Bonds of this series are payable from collections of the ad valorem taxes hereinafter levied which have been pledged to the Debt Service Account for the Bonds by the Bond Resolution; but the full faith and credit of the City of Minneapolis has been and is hereby pledged to the full and prompt payment of the principal of and interest on the Bonds, and the City Council is obligated to levy additional ad valorem taxes on all taxable property in the City without limitation as to rate or amount, if necessary, to pay principal and interest when due.

Reference is hereby made to the Act and to the Bond Resolution for a description of the nature of the security thereby created, the rights and limitation of the rights of the City and bondholders with respect thereto, and covenants of the City as to the application of the proceeds of the Bonds of this series and the money pledged to the payment of the Bonds and interest thereon.

The City may elect on December 1, 2012, and on any day thereafter to prepay Bonds due on or after December 1, 2013. Thirty days prior to the redemption date, notice of any such redemption shall be given by mail in accordance with the requirements of Minnesota Statutes, Chapter 475, as amended. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are to be called for redemption, the City will notify The Depository Trust Company ("DTC"), as registered owner of the Bonds, of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest to the date of redemption.

This Bond is transferable, as provided in the Bond Resolution, only upon books of the City kept at the office of the Bond Registrar by the registered owner hereof in person or by the registered owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the registered owner hereof or the registered owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in the Bond Resolution and subject to certain limitations therein set forth, the Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series of different authorized denominations, as requested by the registered owner or the registered owner's duly authorized attorney, upon surrender thereof to the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; and that this Bond, and the series of which it is a part, is within every applicable debt and other limit prescribed by the Constitution and laws of the State of Minnesota and the Charter of the City of Minneapolis.

This Bond shall not be valid or become obligatory for any purpose until the Registration and Authentication Certificate hereon shall have been signed by the Bond Registrar.

In witness whereof, the said City of Minneapolis, acting by and through its City Council, has caused this Bond to be executed with the facsimile signature of its Mayor, countersigned by the facsimile signature of the Finance Officer, and attested with the facsimile signature of the City Clerk, and a facsimile of the corporate seal of said City to be imprinted hereon, all as of the Date of Original Issue specified above.

**CITY OF MINNEAPOLIS, MINNESOTA**

(SEAL)

Attest:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Countersigned:

By \_\_\_\_\_  
Finance Officer

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### **Registrar's Registration and Authentication Certificate**

This is one of the Bonds described in the within-mentioned Bond Resolution and has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Finance Officer of the City of Minneapolis.

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Finance Officer, as Registrar

Dated: \_\_\_\_\_

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The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by entireties

JT TEN -- as joint tenants with right  
of survivorship and not as tenants in  
common

UNIF GIFT MIN ACT —  
\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts or Transfers to Minors  
Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

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## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

\_\_\_\_\_

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2.04. Registration. The Finance Officer of the City will act as the initial bond registrar, transfer agent, and authenticating agent (the “Registrar”) with respect to the Bonds and will also act as the initial paying agent (the “Paying Agent”) with respect to the Bonds. The Registrar must maintain a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date. When Bonds are surrendered by the registered owner for exchange, the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner’s order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be retained by the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

2.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Each Bond delivered under this Bond Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

2.06. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name the same for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof,

but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

### SECTION 3. EXECUTION AND DELIVERY OF BONDS AND OTHER DOCUMENTS

3.01. Method of Sale. Authority to sell the Bonds is hereby delegated to the Board of Estimate and Taxation under Minnesota Statutes, Section 475.60, as amended. The Finance Officer may establish a minimum or maximum purchase price for the Bonds. The Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, the Board of Estimate and Taxation may by resolution make such additional covenants or directions as it may deem necessary and expedient, including but not limited to approval of an Official Statement and Continuing Disclosure Certificate. Any unused discount or premium and any unused amounts provided for the payment of issuance costs shall be deposited in the Debt Service Account or, in the discretion of the Finance Officer, applied to the payment of costs of the City related to the issuance of the Bonds and the financing of the current and future unfunded liability of MPRA.

3.02. Bonds. The Bonds shall be executed by the respective facsimile signatures of the Mayor, Finance Officer and City Clerk and facsimile of the corporate seal of the City as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany each Bond. When said Bonds shall have been duly executed and authenticated by the Registrar in accordance with this Bond Resolution, the same shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with Minnesota Statutes, Chapter 475, as amended.

3.03. Official Statement. The Finance Officer shall cause an Official Statement relating to the Bonds to be prepared, and the use thereof by the purchasers is approved.

3.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing (i) a certificate that, to the best of the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate substantially in the form summarized in the Official Statement. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Mayor, City Clerk and Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver this certificate as to payment for and delivery of the Bonds, and the signed approving legal opinion of Kennedy & Graven, Chartered as to the validity and enforceability of the Bonds under existing laws, regulations, and rulings, as presently enacted or promulgated and as presently construed.

### SECTION 4. APPLICATION OF PROCEEDS.

4.01. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (a) any accrued interest and premium shall be deposited in the Debt Service Account (established pursuant to Section 5.01 hereof), (b) an amount sufficient to pay the portion of the costs of the current and future unfunded liability of MPRA to be financed with the Bonds shall be set aside for such purpose, and

(c) an amount equal to the expenses of the transaction shall be applied to the payment thereof, and after retaining overhead expenses, the City shall apply the balance to any lawful purpose.

#### SECTION 5. COVENANTS OF THE CITY.

5.01. Debt Service Account. There is hereby established a separate Debt Service Account (established as part of the City's Debt Service Fund) for payment of principal and interest on the Series 2002 Bonds. The City hereby pledges the proceeds of the ad valorem taxes hereinafter levied to the payment of principal and interest on the Series 2002 Bonds. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Account to pay the same, the Finance Officer shall pay such principal or interest from the general fund of the City, and such fund will be reimbursed for those advances out of the proceeds of the taxes levied by this Bond Resolution, when collected. There is appropriated to the Debt Service Account (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the purchaser of the Bonds, and (iii) the accrued interest, if any, paid by the purchaser of the Bonds upon closing and delivery of the Bonds.

5.02. Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is hereby authorized to be levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The tax will be credited to the Debt Service Account above provided and, upon the award of the Bonds and the determination of the interest rates on the Bonds and the application of the proceeds of the Bonds, the Finance Officer shall determine, and the Board shall approve, the amounts, the levy years, and the collection years of such tax levy sufficient to pay the principal of and interest on the Bonds consistent with the other provisions of this Bond Resolution.

5.03. Pledge of Full Faith and Credit; Tax Levies. The full faith and credit of the City of Minneapolis are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, when due. The collections of the foregoing taxes pledged to the Bonds under Section 5.01 shall be determined to produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds, but the City shall levy, in addition to all other taxes, a direct tax on all taxable property in the City without limitation as to rate or amount, if necessary to pay such principal and interest when due. Without limiting the foregoing, the City shall levy taxes in each year to the extent the sum of the estimated collections of the foregoing taxes in the following year, together with available amounts on deposit in the Debt Service Account and other dedicated funds, are insufficient to pay principal of and interest on the Bonds in such subsequent year and at least five percent (5.0%) in excess thereof.

#### SECTION 6. BOOK-ENTRY SYSTEM; LIMITED OBLIGATION OF CITY.

6.01. Form of Bonds. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

6.02. DTC and Cede & Co. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial

institutions from time to time for which DTC holds Bonds as securities depository (“Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this Bond Resolution. Upon delivery by DTC to the Finance Officer of the City of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.,” will refer to such new nominee of DTC.

6.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

6.04. Transfers Outside Book-Entry System. In the event the City determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Bond Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this Bond Resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

6.05. Payments to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively, in the manner provided in DTC’s Operational Arrangements, as set forth in the Representation Letter.

## SECTION 7. MISCELLANEOUS.

7.01. Registration. The Finance Officer is hereby authorized and directed to certify a copy of this Bond Resolution and to cause the same to be filed with the Hennepin County Director of Property Taxation, exercising the powers of the County Auditor under Minnesota Statutes, Section 475.63, as amended, and to obtain a certificate as to registration of the Bonds.

7.02. Certification. The City Clerk, the Finance Officer and other officers and employees of the City are hereby authorized and directed to furnish to the attorneys approving the Bonds, on behalf of the purchasers of the Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, to show the proceedings taken in connection with the Bonds, and the right and authority of the City to issue the Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City.

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